



Business Matters

IN THE CITY OF SAN DIEGO

A Publication of the City's Community and Economic Development Department

2003

NTC Redevelopment Creates Prime Office Space

Major Business Incentives Available

The Naval Training Center (NTC) Redevelopment Project Area is once again becoming a place of business activity and cultural exploration, with the community's vision of NTC as a center of economic vitality taking shape. NTC will soon offer San Diego residents amenities ranging from a brand new business district, which offers its occupants tremendous tax saving opportunities, to the Promenade Centre offering innovative cultural experiences that focus on San Diego's maritime history. Upon completion, the NTC Redevelopment Project is expected to generate more than 8,000 perma-

nent jobs, \$2.2 million in annual tax revenue and \$875,000 in annual revenue for affordable housing.

Construction of two state-of-the-art office buildings is currently underway. This class-A office space is an ideal business site, located near the thriving Downtown community and easily accessible to the rest of San Diego. The buildings, totaling 100,000 square feet, represent the first phase of an office district project that will eventually consist of seven buildings and 380,000 square feet of office and commercial space.

Businesses located at NTC will be eligible to receive significant tax incentives. Following the round of base closures and realignments, which idled more than 187,000 California workers, state-designated Local Agency Military Base Recovery Areas (LAMBRA) were designated to attract reinvestment and re-employ workers. In March 2001, NTC was awarded the eighth and final LAMBRA designation by the state, providing California tax incentives to businesses located within the LAMBRA area. These incentives include state income tax credits for each qualified employee, tax credits for qualified machinery and parts, and the ability to apply unused tax credits to future years.

Additional local benefits can be coupled with the LAMBRA incentives for added savings. Redevelopment project

continued on page 2, NTC Office Space

New Regional Loan Fund Created to Help Small Businesses

The City of San Diego has teamed up with cities in South Bay to establish and operate a \$3 million loan fund that offers revolving loans to small businesses located in targeted areas of central and south San Diego County.

Led by the City of San Diego, the regional collaboration includes the cities of National City, Imperial Beach and Chula Vista. The City of San Diego successfully applied for and received a \$1.5 million grant from the U.S. Economic Development Administration (EDA). This grant was matched by all four cities to create the \$3 million San Diego Regional Revolving Loan Fund (SDRRLF).

The loan fund offers financial assistance to start-up and expanding businesses. Loans are generally expected to range from \$150,000 to \$500,000. The revolving loan fund can supplement private financing of new or rehabilitated buildings, fixed machinery and equipment, working



capital and soft costs in the SDRRLF project area.

The City of San Diego's Community and Economic Development Department operates the new loan fund. For information about the SDRRLF, contact Patricia Hughes-Raber at (619) 533-7454 or

continued on page 2, Loan Fund

San Diego is Zoned for Success

Enterprise Zones Offer Significant Business Incentives

The City of San Diego's Community and Economic Development Department offers a range of programs and services that provide unparalleled support to businesses in San Diego. Part of this comprehensive assistance is the Enterprise Zone (EZ) program, which allows businesses within geographically designated areas to receive several state tax breaks, as well as other benefits.

San Diego is home to two of 39 Enterprise Zones statewide: the Metropolitan Enterprise Zone, which includes portions of Downtown San Diego and the South Bay Enterprise Zone, which includes the communities of San Ysidro, Otay Mesa and parts of the City of Chula Vista. The City also boasts a Local Agency Military Base Recovery Area designation, which offers similar business incentives as other EZs, at the former Naval Training Center.

The major benefits of the EZ program are the tax savings available on the California business income tax. These include tax credits on various equipment purchases, a generous credit on hiring new employees and a net interest deduction for lenders to businesses located within an EZ. Further advantages include job referral services, development permit expediting and assistance, a reduction of certain development fees, tax savings for EZ employees, and access to specialized technical and financial assistance programs.

Business owners and investors must act quickly to take full advantage of the incentives, as they are available for a limited



amount of time. The South Bay Enterprise Zone designation expires in January 2007, and the recently extended Metropolitan Enterprise Zone designation expires in October 2006. The LAMBRA designation at the former Naval Training Center will not become official until the first tenants move into the new office district, but will last for a period of eight years.

Since its inception, the Enterprise Zone designation has resulted in more than \$410 million in private investments. Additionally, hundreds of permit applications have been expedited with thousands of businesses receiving technical and financial assistance. Furthermore, 10,500 jobs have been provided for low-income, unemployed people. When coupled with other Community and Economic Development incentives, such as the federal

continued on page 2, Enterprise Zone

INSIDE THIS ISSUE...



Business Briefs . . . 3

Financial Resources . . . 4

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THE CITY OF SAN DIEGO

Energy Savings 2

Graffiti Removal Helpful Hints . . . 2

City Offers Recycling Assistance to Businesses . . 2

Benefits of Special Events. 3

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MAXIMIZE ENERGY SAVINGS

Now is the time to get ready for summer. To help you get started, here is a checklist of things you can do to prepare.

1. Clean or replace your HVAC filters*

Cleaning or replacing dirty filters can boost the efficiency of your cooling system, so employees and customers stay comfortable at a lower less cost.

*Always follow manufacturer's instructions for inspecting, cleaning and/or replacing filters.

2. Adjust your thermostat settings

Installing a programmable thermostat is an easy and inexpensive upgrade that lets you control your temperature settings around the clock.

3. Check temperature settings on water heaters

Consider reducing your water heater temperature setting. A water heater setting of 120° F is generally satisfactory for many common uses.** If yours is much hotter, you could be wasting energy dollars.

**Legal minimum temperature requirements may vary according to industry. Check the local health and safety requirements for your industry.

4. Check your refrigeration system

Inspect gaskets and doors for an airtight seal, and replace them if necessary. Also, make sure

the refrigerant is maintained at the proper level. Regularly clean condenser coils and defrost your system.

5. Inspect your lights

Check and replace your light bulbs when needed and don't forget your outdoor lighting. If you're using incandescent bulbs, consider replacing them with compact fluorescent bulbs, that can save up to 75 percent on lighting energy costs and last up to ten times longer.

Give Your Business An Energy Check-Up

To help you identify how your business is using energy and the best ways to save, you can log onto www.sdge.com and create an energy profile of your business' energy use by answering a few questions. Look for the Small Business Energy Analyzer.

For more information on preparing for summer and to learn about all the ways SDG&E is working to provide you with exceptional customer service, call **1-(800) 411-SDGE (7343)** or visit www.sdge.com.



From page 1, NTC to Offer Office Space



area incentives include employee placement assistance from the San Diego Workforce Partnership, expedited tenant improvement building permits, as well as water and sewer capacity fee reductions.

The office space project broke ground in October, with anticipated completion in mid-2003 by NTC master developer, The Corky McMillin Companies. Total cost of the office-building project is estimated at \$62 million.

Throughout its 70-year history, the Naval Training Center, San Diego, con-

tributed to the history, identity and lifestyle of San Diego. By the early 1990's, NTC added almost \$97 million annually to the local economy.

In 1993, the Federal Base Realignment and Closure Commission slated NTC for eventual closure, and in 1997, all military activity permanently ceased. Since the initial recommendation, the City of San Diego, the U.S. Navy and the community worked to develop a com-

prehensive reuse/redevelopment plan to replace the 3,000+ jobs and millions of dollars lost when the base closed.

Businesses interested in leasing office or commercial space at NTC can contact the leasing agent, CB Richard Ellis at **(858) 546-4600**. For more information on the NTC Redevelopment Project Area or other business incentives available in the City of San Diego, visit www.sandiego.gov, or call the City's Community and Economic Development Department at **(619) 533-4233**.

From page 1, Enterprise Zone

Renewal Community designation, San Diego businesses can potentially save millions of dollars.

For more detailed information on the City of San Diego's Enterprise Zone program, contact the Community and Economic Development Department at **(619) 533-4233** or visit the City's Web site at www.sandiego.gov.

From page 1, Loan Fund

phraber@sandiego.gov. For more information on financial resources and other business assistance programs, contact the Community and Economic Development Department at **(619) 533-4233** or visit the City's Web site at www.sandiego.gov.

Recycling has Never Been Easier

Recycling and waste reduction make good business sense, no matter what business you are in.



Recycling promotes a positive company image, preserves our environment, complies with AB 939, a state law requiring all California cities and counties to reduce the amount of waste going into the landfills by 50 percent, and, in many cases, helps businesses save money.

Technical Assistance - The Environmental Services Department (ESD) has a dynamic Technical Assistance Program dedicated to helping businesses achieve their recycling and waste reduction goals. Assistance is offered in the form of information, publications, referrals, site visits, and waste audits.

Recognition - ESD hosts an annual awards program designed to recognize businesses and organizations that have implemented innovative and successful waste reduction, recycling, and recycled product procurement programs. All City of San Diego businesses and organizations are encouraged to apply. Applications are available by request from ESD or online.

For more information about ESD programs or to request assistance, please contact a Recycling Specialist at **(858) 492-5010** or visit the ESD Web site at www.sandiego.gov/environmental-services.

PROBLEMS WITH GRAFFITI!



Helpful Hints...

- Graffiti removal within 24 to 48 hours is the best deterrent for graffiti vandalism. It may take a few times, but it is a proven strategy. Taggers want their message to be seen and if you are removing graffiti quickly, they will not want to tag your business. Show them you are not going to take it anymore - by quick removal.
- For removal techniques and training, call the City's Paint and Materials Bank at **(619) 527-3431**.
- Strategies for keeping property graffiti-free:
 - Check your local hardware store for special products that can be applied to surfaces to make them graffiti-resistant.
 - Install adequate lighting on walls and fences which may be vulnerable to graffiti.
 - Plant shrubs or climbing vines to restrict access to graffiti-prone areas.
 - Plants with thorns or foul scents are especially useful deterrents.
 - And finally, encourage your neighbors to watch for and report graffiti vandals.
- Contact your local police storefront to report information regarding taggers.
- The City's Spray and Pay Program will pay a reward of up to \$500 for information that leads to the arrest and conviction of graffiti vandals.
- Call 911 if you see the crime of graffiti vandalism in the act, otherwise call the non-emergency number **(619) 531-2000** to report graffiti vandalism.
- If you see graffiti on public or private property, report it immediately to the Graffiti Control 24-hour hotline at **(619) 525-8522**.

For more information, please contact the City of San Diego Graffiti Control Program at **(619) 525-8522**.

Business Briefs

Renewal Community Offers Federal Tax Savings

As businesses continually plan and organize for federal taxes, the City of San Diego reminds those businesses located in San Diego's Renewal Community to take advantage of a number of tax incentives available. The 2000 Community Renewal Tax Relief Act established new federal income tax benefits for businesses, investments and developers in 40 areas around the country designated as Renewal Communities. San Diego received an RC designation for the neighborhoods of Barrio Logan, East Village, Grant Hill, Lincoln Park, Lindbergh Field, Little Italy, Logan Heights, Mount Hope, and Mountain View, plus parts of Centre City, Chollas View, Golden Hill, Oak Park, and Webster. The RC tax savings are effective for the period of January 1, 2002, through December 31, 2009. To claim the RC federal income tax savings, the business or investment must be located within the designated area and meet other specific qualifying criteria for each tax benefit. The new federal income tax benefits include tax credits on employees' wages, increased section 179 expensing, zero capital gains tax rate, and commercial revitalization deductions. Most recently, the California Tax Credit Allocation Committee (CTCAC) awarded \$11.9 million in federal tax incentives to six San Diego commercial revitalization projects and tentatively awarded another \$10 million to a seventh project, pending federal approval. Specifically, the commercial revitalization deductions allow for the depreciation of capital expenditures on an accelerated schedule. Talk to your tax advisor to find out how you can benefit from the RC tax incentives, or contact the Community and Economic Development Department's Renewal Community Program Manager at **(619) 533-5442**.

City Invests In Local Business

As part of the City's continued dedication to the growth of promising local small businesses and technology entrepreneurs, the City's EmTek (Emerging Technologies) Fund, a regional revolving loan fund that targets promising smaller growth

businesses in under-served communities and historically disadvantaged businesses within San Diego County, has awarded a \$200,000 loan to the fund's first woman-owned business. The recipient, A. L. Wizard, provides comprehensive, needs-based information management systems to assisted living and resident care communities as an easy-to-use software solution. For more information on the EmTek Fund or other business assistance programs, contact the Community and Economic Development Department at **(619) 533-4233** or visit **www.sandiego.gov**.

Fox CONNECT

In a partnership that began last September, Fox 6 News and UCSD CONNECT have created Fox CONNECT to feature high-tech and life sciences news that affects the San Diego business community as part of the Fox 6 newscast every Tuesday at 10:00 p.m. The Fox CONNECT stories include profiles of various entrepreneurs and explore current issues in business and technology. The goals are to provide San Diego with timely business technology stories that are happening in our community, make the high-tech world more accessible, and hopefully inspire San Diegans to play a more active role in the entrepreneurial experience.

Businesses Benefit from Neighborhood Revitalization

The City has been working with business improvement associations and community development corporations to revitalize neighborhood commercial districts in San Diego's urban core for more than 15 years. Two forms of assistance in particular, the Storefront Improvement Program and streetscape improvements, enhance neighborhoods by creating a more inviting business environment, attracting customers, and increasing business. Streetscape improvements include replacement of deteriorating sidewalks, curbs and gutters, as well as the installation of trees and decorative esplanades lined with plants and other landscaping. The City's Storefront Improvement Program provides rebates for a portion of eligi-

ble storefront renovations to small businesses or property owners who improve their storefronts consistent with design standards for their commercial areas. For more information about streetscape improvements and the Storefront Improvement Program, contact the Office of Small Business at **(619) 685-1390** or visit the City's Web site at **www.sandiego.gov**.

Mid City Transit Gateways Project

Construction of the El Cajon Boulevard Median Improvement Project has been completed. The latest median improvement project added trees, landscaping, enhanced paving, automatic irrigation and a new traffic signal to the portion of El Cajon Boulevard between Central Avenue and 43rd Street. Phase One of the Mid City Transit Gateways Project, was funded by a Federal TEA21 grant coupled with a City match. Phase Two will include transit shelters, trellises, pedestrian seating, community identification signage and infrastructure for retail carts and kiosks on the bridge decks over the I-15 at El Cajon Boulevard and University Avenue. Since 1988, the City has collaborated with the El Cajon Boulevard Business Improvement Association in a long-lasting partnership to revitalize the business districts in North Park and Mid City. For further information, contact Community and Economic Development Department at **(619) 533-4233**.

San Ysidro Adopt-a-Block

In an ongoing effort to assist border businesses and revitalize San Diego's gateway to Mexico, the City of San Diego's Community and Economic Development Department and San Ysidro's Business Improvement Association, in conjunction with the business community, are collaborating to renovate and revitalize businesses located on the East side of San Ysidro Boulevard. The goal of the pilot "Adopt-A-Block" program is to encourage neighboring businesses to revitalize their storefronts — a move that would promote new investment and patronage. For more information, contact the Office of Small Business at **(619) 685-1390**.

City Reaches out to Small Businesses

On February 7, the City held the annual Small Business Advisory Board public outreach meeting to

better understand key business issues and concerns of the City's small business community. Businesses were encouraged to attend and share concerns that affect their ability to do business, from fees and regulations to permits and availability of assistance programs. Many of the issues brought before the board will be addressed throughout the next year in the Board's work plan and at regular monthly Board meetings. In addition to public testimony from small businesses, the outreach meeting featured several presentations on redevelopment activities in City Heights, information on a diverse emerging vendor program and a welcome from Third District Councilmember Toni Atkins. For more information on the City's Small Business Advisory Board or City business assistance programs, visit the City's Web site at **www.sandiego.gov** or call the Office of Small Business at **(619) 685-1390**.

Small Business Enhancement Program Awards \$87,000 to Organizations that Help Small Businesses

Citywide small business grants, funded by the Small Business Enhancement Program (SBEP), were awarded to 10 local nonprofit organizations that provide unique assistance to small businesses in the City of San Diego. The grants are intended to help small businesses in their economic and cultural roles in sustaining and revitalizing older commercial and residential areas. Administered by the Community and Economic Development Department's Office of Small Business, SBEP has significantly enhanced the City's partnership with the Business Improvement Districts and nonprofit business assistance organizations. The partnership provides direct assistance programs for San Diego's 60,000 small businesses. Grant winners include: Able-Disabled Advocacy, Inc., Alliance for African Assistance, Asian Business Association, Black Contractors Association, Inc., Engineering & General Contractor's Association on behalf of the Construction Coalition, Greater San Diego Business Association, Responsible Hospitality Institute, San Diego County Hispanic Chamber of Commerce, ACCION/San Diego, Southwestern College, and Disabled Businessperson's Association.

Special Events Can Bring Big Bucks to San Diego's Economy

Special events, such as conventions, trade shows, sports and theater, attract visitors from the state, nation and around the world. It is estimated that 2.5 million people will visit San Diego over the next 20 years for conferences and trade shows alone, making San Diego the number one convention city in California.

Economic benefits of events can potentially reach all aspects of San Diego's economy. A variety of businesses collaborate to pull an event together — from staging and lighting, to sanitation and security — every business associated with the management of an event can profit. Many San Diego businesses rely on the revenue generated by special events to survive.

In addition to the immediate impacts, special events bring positive long-term benefits to the local economy. According to the San Diego Convention and Visitors Bureau, more than one-third of San Diego's visitors

return two to four times within two years. Big events such as the NFL Super Bowl, America's Cup and National Golf Tournaments generate significant publicity and put San Diego and all it

has to offer in the national spotlight. Special events not only create civic pride and economic prosperity, but also provide an opportunity to showcase the offerings that make our fine city a great place to live, work and play. For more information on upcoming special events, visit the City's Web site **www.sandiego.gov** and type "Special Events Calendar" in the search field.



Financial Resources

☎ CDC Small Business Finance: Provides low-interest financial support to small businesses through U.S. Small Business Administration loans and loan guarantees of up to \$750,000 for businesses employing 500 or fewer people. For more information, call (619) 291-3594.

☎ California Southern Small Business Development Corporation - State of California Loan Guarantee Program: Provides loan guarantees of up to \$350,000 for small businesses unable to qualify for conventional financing. For more information, call (619) 232-7771.

☎ ACCION/San Diego: Provides direct loans from \$300 up to \$25,000 to micro and small businesses, with at least six months of operation, current capacity, and inability to access capital from traditional financing sources. Partially supported by the City of San Diego. For more information, call (619) 685-1380.

☎ San Diego Regional Revolving Loan Fund: The \$3 million fund provides revolving loans to small businesses to supplement private financing of new or rehabilitated buildings, fixed machinery and equipment, working capital and soft costs. For more information, call the Community and Economic Development Department at (619) 533-7454 or visit www.sandiego.gov.

☎ The EmTek Fund: A \$2.5 million public revolving loan fund operated by the City of San Diego provides patient, flexible working capital in amounts of \$50,000 to \$250,000 for terms of up to five years at modestly below-market interest rates to promising smaller growth businesses located in San Diego County. For more information, call the Community and Economic Development Department at (619) 533-7502 or visit www.sandiego.gov.

☎ City of San Diego Storefront Improvement Program: Provides matching grants of up to \$10,000 to small businesses and building owners for building facade improvements. For more information, contact the Office of Small Business at (619) 685-1390 or visit www.sandiego.gov.

☎ Uptown Micro Loan Program: This \$2 million loan program provides loans up to \$25,000 for businesses located within the City's 19 Business Improvement Districts and in operation for at least one year. For more information, call (619) 299-4060.

Business Assistance Programs - City of San Diego: 619-533-4CED (4233)

Business Expansion, Attraction and Retention Program
Business Improvement Districts
Citywide Technical Assistance Grant Program
(for non-profit organizations serving small businesses)
Economic Development Bond Financing
EmTek (Emerging Technologies) Loan Fund
Enterprise Zones (Metropolitan, NTC, South Bay)
Foreign Trade Zone
Neighborhood Commercial Revitalization

Parking Meter District Program
Recycling Market Development Zone (Environmental Services Department, 858-492-5010)
Redevelopment Opportunities/Incentives
Renewal Community
Resource Information
Science and Technology Commission
Small Business Advisory Board
Small Business Advocate/Permit Troubleshooting
Storefront Improvement Rebate Program

SAN DIEGO CHAMBERS OF COMMERCE & BUSINESS ASSOCIATIONS

Chambers of commerce and business associations provide business service, assistance and advocacy through the promotion of a favorable business climate, advancing community and economic development and encouraging responsible governmental practices. Contact your local association to find out how it can help your business succeed.

Asian Business Association (619) 235-8880
British-American Chamber of Commerce of San Diego (619) 525-3270
Clairemont-Bay Park Chamber of Commerce (619) 491-4444
Diamond Gateway Chamber of Commerce (858) 484-2800
Disabled Business Persons Association (619) 594-8805
Filipino American Chamber of Commerce of San Diego County (619) 474-7222
Golden Triangle Chamber of Commerce (858) 558-1744
Greater San Diego Business Association (619) 296-4543
International Chamber of Commerce of San Ysidro (619) 428-9530
La Jolla Chamber of Commerce (858) 454-1444
Latino Business Owners of America (858) 536-9042
Mid-City Chamber of Commerce (619) 584-4638
Mira Mesa/Scripps Ranch Chamber of Commerce (858) 693-1090
Mission Valley Chamber of Commerce (619) 298-7600
Old Town Chamber of Commerce (619) 291-4903
Otay Mesa Chamber of Commerce (619) 661-6111
Peninsula Chamber of Commerce (619) 223-9767
Rancho Bernardo Chamber of Commerce (858) 487-1767
Russian-American Business Council (858) 202-0040
San Diego County Black Chamber of Commerce (619) 262-2121
San Diego County Hispanic Chamber of Commerce (619) 702-0790
San Diego French-American Chamber of Commerce (619) 668-8559
San Diego Junior Chamber of Commerce (619) 645-8594
San Diego/Orange County Forum for Women Entrepreneurs (858) 344-3825
San Diego Regional Chamber of Commerce (619) 232-0124
San Diego Women's Network (619) 491-4104
San Ysidro Chamber of Commerce (619) 428-1281
Swedish-American Chamber of Commerce of San Diego/Tijuana (619) 338-4020
Taiwanese Chamber of Commerce (858) 655-4480

Mark Your Calendar

The City of San Diego maintains a calendar of business-related seminars, workshops, networking events, etc. Simply log onto the City's Web site at www.sandiego.gov/economic-development/contacts/news.shtml or call the Community and Economic Development Department at (619) 533-4233.

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Hank Cunningham, Director

"Improving the Quality of Life
and Ensuring a Healthy Economy for All San Diegans"

Our Mission:

With an emphasis on urban core neighborhoods and low and moderate income residents, the Community and Economic Development Department improves the quality of life and ensures a healthy economy for all San Diegans through job development, business development, neighborhood revitalization, public improvements, redevelopment, social services, and revenue enhancement.

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